



Idaho Public Utilities Commission

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Case No. IPC-E-15-02, Order No. 33240

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Commission approves one-year energy sales agreement between Idaho Power and Simplot's Pocatello plant

BOISE (March 4, 2015) – State regulators approved an Idaho Power Company sales agreement with a J.R. Simplot company-owned cogeneration project at Simplot's Pocatello plant.

Cogeneration (also known as “combined heat and power” or CHP) produces power from the heat or steam that is the byproduct of a manufacturing process. The cogeneration plant at Simplot's fertilizer plant near Pocatello can produce up to 15.9 megawatts of electricity, but the contract is for 10 average megawatts per month.

The cogeneration plant is a qualifying facility under the provisions of the federal Public Utility Regulatory Policies Act of 1978. PURPA requires regulated utilities to buy energy from qualifying renewable generation projects at rates established by state commissions. The rate to be paid qualifying facilities is called an “avoided-cost rate,” because it is based on the cost the utility avoids by not having to generate the energy itself or buy it from another source. The commission must ensure the avoided-cost rate is reasonable for utility customers because the price utilities pay to qualifying small-power producers is included in customer rates.

The Idaho Public Utilities Commission approved the company's proposed a rate of \$52.72 per megawatt-hour to be paid Simplot during 2015 and \$52.28 per MWh in 2016. The rate varies according to heavier and lighter load hours of the day and seasons of the year. The agreement is for one year.

The commission's final order, along with the company's application and other documents, are available on the commission's Website at www.puc.idaho.gov. Click on “Open Cases” under the “Electric” heading and scroll down to Case No. IPC-E-15-02.

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